

**ACCOUNTING EXAMINING BOARD MEETING
MINUTES
MADISON WI
FRIDAY, OCTOBER 18, 2002**

PRESENT: Frank Probst, Frederick Franklin (by phone), Sharon Hamilton,
Jim Johnson, Thomas Kilkenny, and Mathew Tharaniyil

STAFF PRESENT: Mary Forseth, Bureau Director; William Dusso, Legal Counsel;
Pamela Meicher, Program Assistant

GUESTS: Arland Stone, WAA
Kim Tredinnick, Virchow Krause & Co.

CALL TO ORDER

Frank Probst, Chair, called the meeting to order at 9: 02 a.m. A quorum of 6 members was present.

AGENDA

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to approve the agenda as published. Motion carried unanimously.

MINUTES

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to approve the minutes of 8/16/02 as published. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, to approve the minutes of 9/10/02 as published. Motion carried unanimously.

ADMINISTRATIVE REPORT

**MARY FORSETH, DIRECTOR, BUREAU OF BUSINESS AND DESIGN
PROFESSIONS**

Clete Hansen, Division Administrator, substituted for Mary Forseth, Bureau Director, who was out of town attending a meeting in Washington, D.C.

The Board has requested that the Department advise the Screening Committee via email or phone when screening is not required.

Bill Dusso spoke briefly on budget issues. He advised the Board that the budget is tight and that Secretary Herrera is currently working on budget issues.

BOARD ROSTER

No changes to the Roster.

2002/2003 MEETING DATES

Jim Johnson will not be available for the May 16, 2003, meeting.

ACCOUNTING ACT MODERNIZATION TO-DO LIST

Bill Dusso reviewed the changes made to ch.442, Stats. that are included in Senate Bill 55.

The Board wanted to know whether all schools have been advised and letters sent out notifying them of the new requirements. Mary Forseth will update the Board at the next Board meeting.

SUMMARY REPORTS ON PENDING COURT CASES, DISCIPLINARY CASES AND ADMINISTRATIVE RULES AND MONTHLY PRESS RELEASE OF DISCIPLINARY ORDERS

Noted

REGULATORY DIGEST ARTICLES, DECEMBER 2002 ISSUE – KATHARINE HILDEBRAND

Katharine Hildebrand asked the Board for articles for the December Issue. She advised the Board that the December issue will be reviewed in December and distributed in January. The deadline for articles is November 28, 2002.

William Dusso will assist Mary Forseth in preparing articles for the Regulatory Digest. Sharon Hamilton will write an article on the Independence Rule. Thomas Kilkenny will write an article on Peer Reviews. Frank Probst and Frederick Franklin will be available to help with the articles if required. Mary Forseth will coordinate all of the articles.

REVIEW STATUS OF ADMINISTRATIVE RULES

HEARING ON INDEPENDENCE RULES – WILLIAM DUSSO

Legal Counsel, William Dusso, advised the Board that the Independence Rules were sent to the Administrative Rules Clearinghouse on September 27, 2002 and the Hearing is scheduled for 10:00 a.m. on today's date.

HEARING ON PEER REVIEW REQUIREMENTS RULES – WILLIAM DUSSO

Legal Counsel, William Dusso, advised the Board that the Peer Review Requirements Rules were sent to the Administrative Rules Clearinghouse on September 27, 2002 and the Hearing is scheduled for 10:00 a.m. on today's meeting date.

ADOPTION OF "OWNERSHIP INTEREST" FOR ACCOUNTING FIRMS RULES – PAMELA HAACK

Pamela Haack, Paralegal, provided the Board with the final rule-making orders relating to the definition of "ownership interest" for the purpose of determining eligibility of firms for a license as a certified public accounting firm. This rule should become effective 01/01/03.

ADOPTION OF EXPERIENCE RULES – WILLIAM DUSSO

William Dusso discussed the final rule-making order relating to experience in public practice.

REVIEW OF RULES GOVERNING APPLICABILITY OF RULES OF CONDUCT TO SEPARATE BUSINESSES – WILLIAM DUSSO

William Dusso provided the Board with the Administrative Rule Revision – Draft #1: Application of Rules of Conduct to Certified Public Accountants who Operate a Separate Business. William Dusso will work with Kim Tredinnick to make Board recommended changes in the rule.

The Board will address the rule changes at the next meeting scheduled for December 13, 2002.

REVIEW OF COMPUTER EXAMINATION RULES

Dr. Barbara Showers led the discussion on computer-based testing. Dr. Showers asked the Board if they would like to participate as pretest administrators. On October 25th and 26th there will be a test run in Eau Claire. Participants would help admit candidates and administer the exams. The company currently working with the Department is Prometric Testing. They have examination sites in Madison, Milwaukee, North and Southwest Racine.

The Board will have another opportunity to participate as pretest administrators next spring at UW Oshkosh.

The Board also discussed exam scoring: numeric versus pass/fail.

The new computer-based exam; 5E Ruling should be placed on the next agenda for further discussion.

EXAMINATION/APPLICATION ISSUES

The 2003 application review assignments have been scheduled and posted on the 2003 Meeting Dates calendar.

PRACTICE ISSUES

The Board discussed the compliance audit question from the Pennsylvania State Board of Accountancy. After discussion the Board agreed that they would need additional information such as what are compliance audits. The Board was not clear on the question; if the firm is issuing a report, a compliance audit is required. The Board also said it would depend on the firm's circumstances. The Board would like Mary Forseth to respond to the Pennsylvania State Board of Accountancy.

William Dusso discussed the letter on Stock ownership in a CPA firm. The Board discussed what names can be legally used by a firm if the owner or partners are not CPAs. William Dusso will talk with the Legal Institute's attorney on this issue.

BOARD MEMBER ACTIVITY

The Board discussed NASBA, the computerization of examinations, and how the 150-hour requirement may require a masters degree or major in accounting.

Sharon Hamilton has been asked to give a speech on ethics and accounting, as addressed in the CPA Act. The Board suggested she speak on the ethical decision tree, the talk by Tom Sparrow, the Speech on Ethics at the www.deloitte.com website, peer review, ownership interest and the confirmation of reciprocity experience.

MISCELLANEOUS CORRESPONDENCE/INFORMATION

No discussion. For informational purposes.

NEW BUSINESS

None

CLOSED SESSION

MOTION: Sharon Hamilton moved, seconded by Roman Jungers, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.; to consider licensure or discipline (s. 19.85(1)(b), Stats.; to consider individual histories or disciplinary data (s. 19.85(1)(f), Stats.; and, to confer with legal counsel (s. 19.85(1)(g), Stats. Motion carried by a roll call vote: Frank Probst, Fred Franklin, Sharon Hamilton, Jim Johnson, Thomas Kilkenny, and Mathew Tharaniyil. Motion carried unanimously.

RECONVENE TO OPEN SESSION

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to go to open session at 12:10 p.m.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to approve the application for licensure as a CPA for Christopher LaBakken. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to adopt the final rule-making order for the Accounting Examining Board relating to the definition of “ownership interest” for the purpose of determining eligibility of firms for a license as a certified public accounting firm. Motion carried unanimously

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to approve the 9/16/02 draft proposed order relating to definitions and independence in professional practice. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Jim Johnson, to adopt the final rule-making order for the Accounting Examining Board relating to experience in public practice. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, authorizing the Department of Regulation and Licensing to request additional information regarding the relevancy of the continuing education courses taken by Jill S. Gilbert. Motion carried unanimously.

MOTION: Roman Jungers moved, seconded by Sharon Hamilton, to approve 62 applicants for licensure. Motion carried unanimously.

APPLICATIONS REVIEWED ON OCTOBER 18, 2002

FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT

1. Approved – 62

AGNEW, THERESA M
BACON, TODD R
BALDWIN, SHANNON M
BLUMER, JENNIFER J
BREMER, JAMES W
BRZOZOWSKI, RONALD C

MORAVY, L JOE
NEEL, KRISTINA M
PASVAN, ROBERT D
PINNO, TAMMY L
PITON, STEVEN J
PRESCOTT, JEFFREY R

BRENNE, DAVID L
BUGBEE, SANDRA L
BYATT, LUANN M
CHISTIANSEN, JOAN M
COLVIN, KIMBERLY K
DUNPHY-ALEXANDER, SHANNON
EARL, TAMMY A
FAUST, SARAH M
FURSETH, LAURIE N A
GABB, JAMIE S
GEENAN, KATHY M
GILSON, GRAHAM L
GREFFENREID, TAMIKO R
GRYGLEWSKI, SARA J
HECKENDORN, SHERYL L
JACKSON, DEREK P
KERKENBUSH, ROGER G
KNUTSON, NICOLAS R
KROEGER, ELAINE M
KNAPP, JILL M
LANGILLE, JESSICA R
LARSON, CURTIS J
LEWIS, REBECCA F
LIDDICOAT, CHARLOTTE J
LIEBELT, JACKLYN M
MAAS, SCOTT J
MAKOWSKI, DAWN M
MALLMAN, COLLEEN V
MANGAN, MELLISA S
MC GRATH, VICKI D
MC NAMARA, TRACY J
MEESE, CANDACE M
MERROW, KENNETH L
MEYER, BRENT M
MILLER, JEFFREY S
MONCADA, NORA M

RANSOM, LISA M
RINELLI, JANINA L
ROEPSCH, THOMAS F
ROGERS, RYAN RODNEY
RUCKI, KAROLYN J
SALMON, SARAH M
SCHAAF, DENNIS D
SCHULDES II, ROBERT M
SEEBERG, DOUGLAS C
SEVERINSEN, TERI A
THOMAS, ALICIA C
UDOVICH, JEFF J
VOSS, DAWN M
WALZ, CAROLINE E
WIEGERT, DALE A

ADJOURNMENT

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to adjourn the meeting at 12:18 p.m. Motion carried unanimously.